

CITY COUNCIL REPORT



Meeting Date: **March 1, 2022**
Charter Provision: ***Provide for the orderly government and administration of the affairs of the City***
Objective: ***Adopt One-Time Employee Retention Bonus***

ACTION

Employee Retention Bonus. Adopt Resolution No. 12417 authorizing:

- 1) One-time bonuses to active full and part-time employees effective February 28, 2022;
- 2) FY 2021/22 budget and cash transfer in the amount of \$2,200,000 from available Scottsdale AZCares funds in the Community Facility Safety Upgrades capital project (DH14) to the appropriate operating divisions;
- 3) FY 2021/22 budget and cash transfer in the amount of \$300,000 from Scottsdale AZCares Special Revenue Fund, available funds in the Community Facility Upgrades operating program to the appropriate operating divisions;
- 4) FY 2021/22 budget and cash transfer in the amount of \$1,850,000 from available Scottsdale AZCares funds in the City Buildings Safety Retrofit capital project (DH15) to the appropriate operating divisions;
- 5) FY 2021/22 budget and cash transfer in the amount of \$1,200,000 from Scottsdale AZCares Special Revenue Fund, available funds in the Public Health Communication and Safety operating program to the appropriate operating divisions; and
- 6) The City Manager or designee, with the advice and consent of the City Attorney and City Treasurer, is further authorized to reallocate funds from the categories listed in Resolution 11870 for the purpose of awarding one-time employee retention bonuses.

BACKGROUND

As the city continues to provide services through the COVID-19 emergency and economic crises, our employees have shown resilience and patience during this difficult time in history. Our neighboring municipalities have employed various pay incentive programs to enhance their recruitment and retention efforts, of which have been noticed. Although we have approved specialized employee pay programs in high-turnover areas as needed, it is now time to show the city's general workforce our appreciation for providing world-class services to those that work, live, and enjoy the many entertainment venues in Scottsdale.

ANALYSIS & ASSESSMENT

The City of Scottsdale has over 2,600 part-time and full-time employees assigned to approximately 540 unique job classifications. There is unspent Scottsdale AZCares funding available to use for the One-Time employee retention bonuses. The Community Facility Upgrades, City Building Safety Retrofits and Public Health Communication and Safety efforts will continue through the Capital Improvement Plan within existing maintenance projects and through the General Fund operating budget.

Active employees that have recorded paid hours within the pay period of February 27th through March 12, 2022, will be eligible for the one-time bonus (see Table 1). The pay date to receive the bonus will be March 18, 2022.

FISCAL IMPACTS

To be fair and consistent in the methodology of providing the one-time bonus, we propose to adjust the payment based on employment status (full-time, part-time) and hours worked. The below table illustrates the gross amount each active employee will receive:

Table 1

Status	Payment Amount
Full Time Employees	\$2,000
Part Time employees that have worked above 1,560 hours in the 12 months	\$1,500
Part Time employees that have worked between 1,040 and 1,559 hours in the last 12 months	\$1,000
Part Time employees that have worked between 520 and 1,039 hours in the last 12 months	\$500
Part Time employees that have worked less than 520 hours in the last 12 months	\$0

Based on the above table (to include required payments for the employer portion of the Arizona State Retirement Plan and employer taxes), we estimate the total fiscal impact will not exceed \$5,550,000.

STAFF RECOMMENDATION

The city manager, city treasurer, and human resources director recommend the adoption of Resolution No. 12417.

STAFF CONTACT

Donna B. Brown, Human Resources Director, dbrown@scottsdaleaz.gov, 480-312-2615

APPROVED BY



Donna B. Brown, Human Resources
480-312-2615, dbrown@ScottsdaleAZ.gov

2-18-2022

Date

for 

Sonia Andrews, City Treasurer
480- 312-2364, sandrews@scottsdaleaz.gov

2-18-2022

Date



for Jim Thompson, City Manager
480-312-2800, jthompson@ScottsdaleAZ.gov

2/18/2022

Date

ATTACHMENT

1. Resolution No. 12417

RESOLUTION NO. 12417

A RESOLUTION OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING FY 2021/22 BUDGET TRANSFERS OF SCOTTSDALE AZCARES FUNDS TO THE APPROPRIATE OPERATING DIVISIONS IN THE AMOUNT OF \$5,550,000 TO BE USED FOR ONE-TIME EMPLOYEE RETENTION BONUSES.

WHEREAS, the City wishes to recognize its employees' efforts to continue to provide services during the COVID-19 crisis and to implement a pay incentive program for employee retention purposes;

WHEREAS, in Resolutions 11870 and 11883, City Council approved acceptance of AZCares funds from the State of Arizona and created a Scottsdale AZCares Special Revenue Fund for the General Fund monies freed up as a result of receiving the AZCares funding; and

WHEREAS, Resolution 12264 transferred monies from the Scottsdale AZCares Special Revenue Fund to certain capital projects; and

WHEREAS, there are unspent Scottsdale AZCares funds available to use for one-time employee retention bonuses; and

WHEREAS, the City is required to balance its budget and all associated funds.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Scottsdale, Maricopa, Arizona a follows:

Section 1. The City Council authorizes one-time employee retention bonuses to active full-time and part-time employees effective February 28, 2022.

Section 2. The City Council authorizes a FY 2021/22 budget and cash transfer in the amount of \$2,200,000 from available Scottsdale AZCares funds in the Community Facility Safety Upgrades capital project (DH14) to the appropriate operating divisions.

Section 3. The City Council authorizes a FY 2021/22 budget and cash transfer in the amount of \$300,000 from Scottsdale AZCares Special Revenue Fund, available funds in the Community Facility Upgrades operating program to the appropriate operating divisions.

Section 4. The City Council authorizes a FY 2021/22 budget and cash transfer in the amount of \$1,850,000 from available Scottsdale AZCares funds in the City Buildings Safety Retrofit capital project (DH15) to the appropriate operating divisions.

Section 5. The City Council authorizes a FY 2021/22 budget and cash transfer in the amount of \$1,200,000 from Scottsdale AZCares Special Revenue Fund, available funds in the Public Health Communication and Safety operating program to the appropriate operating divisions.

Section 6. The City Manager or designee, with the advice and consent of the City Attorney and City Treasurer, is further authorized to reallocate funds from the categories listed in Resolution 11870 for the purpose of awarding one-time employee retention bonuses.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County,
Arizona this _____ day of _____, 2022.

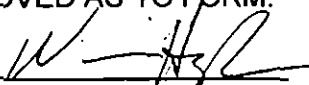
CITY OF SCOTTSDALE, an Arizona
municipal corporation

ATTEST:

Ben Lane, City Clerk

David D. Ortega, Mayor

APPROVED AS TO FORM:



Sherry R. Scott, City Attorney
By: William Hylen
Senior Assistant City Attorney